

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

This filing relates to HTA and ERS.

**SUPPLEMENT TO REPLY OF THE PUERTO RICO
HIGHWAYS AND TRANSPORTATION AUTHORITY
AND THE EMPLOYEE RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO
TO RESPONSES FILED TO THIRTY-NINTH OMNIBUS OBJECTION
(NON-SUBSTANTIVE) TO DEFICIENT CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Highways and Transportation Authority (“HTA”) and the Employee Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”),

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employee Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA” and together with the Commonwealth, COFINA, HTA, and ERS, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

as the representative of the Commonwealth pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² file this supplement (the “Supplement”) to the *Reply of the Puerto Rico Highways and Transportation Authority and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Responses Filed to Thirty-Ninth Omnibus Objection to Deficient Claims* [ECF No. 8070] (the “Reply”). In support of this Supplement, HTA and ERS respectfully represent as follows:

1. At the July 24, 2019 omnibus hearing (the “Hearing”), the Court heard argument regarding HTA and ERS’s *Thirty-Ninth Omnibus Objection (Non-Substantive) to Deficient Claims* [ECF No. 7248] (the “Thirty-Ninth Objection”) and several responses thereto, including the *Response to the Collective Objection* (the “Librada Sanz Response”), dated June 6, 2019 [ECF No. 7579], filed by Jesus Librada Sanz (“Librada Sanz”). At the Hearing, the Court requested additional clarification regarding “CUSIP numbers or other specific information tying the bonds that Mr. Librada Sanz has to the bonds covered” by a master proof of claim filed on behalf of ERS bondholders. Hr’g. Trans. 29:24-30:1.

2. As detailed in the Reply, Librada Sanz filed a proof of claim against ERS on June 7, 2018, and it was logged by Prime Clerk as Proof of Claim No. 60916 (the “Librada Sanz Claim”). See *Thirty-Ninth Omnibus Objection*, Exhibit A, line 50. The Librada Sanz Response provided documentation regarding bonds issued by ERS bearing CUSIP number 29216MBL3. Librada Sanz Resp., Ex. 1 at 1.

3. The bond bearing CUSIP number 29216MBL3 is an ERS Series C bond.³ That CUSIP number is associated with a master proof of claim filed by The Bank of New York Mellon

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

³ See <https://emma.msrb.org/IssueView/Details/MS68784>.

(“BNYM”), as fiscal agent under the Pension Funding Bond Resolution adopted on January 24, 2008, which was logged by Prime Clerk as Proof of Claim No. 16777⁴ (the “ERS Master Claim”). The ERS Master Claim was filed on behalf of holders of three series of senior pension funding bonds, Series A bonds, Series B bonds, and Series C bonds. *See* Addendum to ERS Master Claim at 1-4.

4. Accordingly, and as detailed in the Reply, the Librada Sanz Claim asserts liabilities associated with a Series C bond issued by ERS and is duplicative of the ERS Master Claim. Any failure to disallow the Librada Sanz Claim will result in Librada Sanz potentially receiving an unwarranted double recovery against ERS, to the detriment of other stakeholders in the ERS Title III Case. Moreover, Librada Sanz will not be prejudiced by the disallowance of the Librada Sanz Claim because the liabilities associated with the Librada Sanz Claim are subsumed within an ERS Master Claim.

Dated: August 9, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Herman D. Bauer

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⁴ The Reply originally identified the Librada Sanz Claim as duplicative of Proof of Claim No. 32004, which covers the assertion of ERS Series C bonds against the Commonwealth, not against ERS. Because the Librada Sanz Claim was asserted against ERS, the Librada Sanz Claim is duplicative of the ERS Master Claim, not Proof of Claim No. 32004.

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